



State of New Jersey
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.bpu.state.nj.us

IN THE MATTER OF THE PROVISION)
OF BASIC GENERATION SERVICE FOR)
YEAR THREE OF THE POST-TRANSITION)
PERIOD)

ENERGY

DECISION AND ORDER

Docket No. EO04040288

(Service List Attached)

BY THE BOARD:

By Order dated December 20, 2003, the Board approved, with modifications, the joint auction proposal of Conectiv Power Delivery ("Conectiv"), Jersey Central Power & Light Company ("JCP&L"), Public Service Electric and Gas Company ("PSE&G") and Rockland Electric Company ("Rockland"), as the best means to secure electricity for Basic Generation Service ("BGS") for Year Two, as well as a portion of the electricity required for Years Three and Four, of the post-Transition Period, beginning June 1, 2004. At that time, the Board did not address how the supplies necessary to serve one-third of the BGS-FP customer's load or to provide BGS-CIEP service for Year Three of the post-Transition Period (June 1, 2005 through May 31, 2006, "Year Three") and beyond were to be procured or the rate design to be employed.

The process and schedule adopted by the Board to determine how best to procure BGS for Year Four of the Transition Period (August 1, 2002 – July 31, 2003) and for Years One and Two of the post-Transition Period (August 1, 2003 – May 31, 2004 and June 1, 2004 - May 31, 2005, respectively) resulted in the opportunity for participation by all interested parties, a wide range of BGS suggestions, a timely Board decision and, ultimately, a successful procurement process. Accordingly, the Board intends to generally follow a similar process and schedule in order to determine how best to procure BGS for Year Three and beyond. Attachment A to this Order includes a preliminary schedule for this process. The schedule would result in a Board decision in late September of 2004 on the process to be followed for procurement of Year Three BGS and is intended to result in the award of supply contracts, subject to prior Board approval, in February 2005.

Therefore, the Board DIRECTS the electric distribution companies: Conectiv Power Delivery; Jersey

Central Power & Light Company; Public Service Electric and Gas Company; and Rockland Electric Company and all other interested parties to file proposals by July 1, 2004 addressing how to procure BGS for Year Three and beyond. Appropriate areas to be addressed in the July 1 filings include, but are not limited to: the type of procurement process, the size and make-up of the CIEP class, the retail margin and load management.

Furthermore, the Board ADOPTS the preliminary procedural schedule in Attachment A to this Order. Parties should adhere to the attached schedule for discovery unless otherwise directed by Staff. Any party that has an issue with the proposed schedule should notify the Board's Secretary in writing before July 1, 2004. If necessary, a procedural conference may be scheduled by Staff and/or the Advising DAG. Parties will be advised of the time and place of the legislative-type hearing identified in Attachment A through the electric list server used by Staff for these types of communications. The Board and/or Staff will also notify parties through the electric list server and, when possible, through the BPU webpage of the time and location of any meetings or hearings as well as any schedule changes.

DATED: ***May 25, 2004***

BOARD OF PUBLIC UTILITIES
BY:

SIGNED

JEANNE M. FOX
PRESIDENT

SIGNED

FREDERICK F. BUTLER
COMMISSIONER

SIGNED

CAROL J. MURPHY
COMMISSIONER

SIGNED

CONNIE O. HUGHES
COMMISSIONER

SIGNED

JACK ALTER
COMMISSIONER

ATTEST:

SIGNED

KRISTI IZZO
SECRETARY